

## Good Corporate Governance ◀

CAT Telecom Public Company Limited introduced the 7 principles of Good Corporate Governance (CG), internationally accepted as standard, to be used in the management of business in order to achieve sustainable growth based on transparency, accountability, and fairness to all parties including corporate loyalty and better understanding in corporate governance for awareness and further regular use. In 2014, CAT has performed related corporate governance activities as follows:

### 1. Good Corporate Governance Policy and Activities

CAT's Board of Directors has appointed a Good Corporate Governance Committee comprising Mr.Rathapol Bhakdibhumi as chairman; Mr.Apinetr Unakul, Colonel Sanpachai Huvanandana, and Mr.Arthid Nanthawithaya as members to prescribe corporate governance policy and to monitor CAT Good Corporate Governance and social Responsibility Implementation working group which comprises the President as chairperson, all Senior Executive Vice Presidents, and Vice President of concerned departments as members, to seriously and concretely drive CG operations.

In 2014, Board of Directors, Management Executives, and staff participated in activities listed in the Good Corporate Governance Action Plan under 5 strategies:

- Strategy 1:** Develop / Improve Corporate Governance Structure
- Strategy 2:** Develop / Improve Corporate Governance policy and processes
- Strategy 3:** Develop data and information system to support Corporate Governance
- Strategy 4:** To promote awareness of CG, foster CG values and culture are managed by good governance
- Strategy 5:** Integrate internal and external units in anti-corruption

Activities can be summarized as follows:

1. Broadcast Revising Developed Organized Publishing was officially accepted and signed The Good Corporate Governance Principles for CAT Telecom Public Company Limited (Revised Edition) to Board of Directors, Executives, and staff for operation guidelines
2. Revising CAT Good Corporate Governance Committee Charter in accordance with universal CG practices.
3. Developed CG Master plan year 2015-2019
4. Developed CG Action Plans year 2015
5. The Good Corporate Governance Principles (Revised Edition) officially accepted by 12 CAT's Directors on October 14, 2014
6. Internal Communication by publicizing information and updated information on Good Corporate organized PR activities such as providing information on CG via internal announcement system every Monday morning, publishing articles in CAT Club magazine, distributing Corporate Governance knowledge to regional offices, providing complaint and suggestion channels on CG, and regular information distribution through internal and external information technology channels

7. Provided continuous training in CG principles, held special lectures by highly qualified experts and scholars, as well as visited internal and external organizations as follows:

7.1 Special Training

- “Titled Establish Good Governance driven strategic planning and strategic plan into Actions” by Air Chief Marshal Weerawit Kongsak, Senator in Vocational Sector / Subcommittee Chairperson on Governmental Governance Reinforcement
- “Title Modern management Concept by Good Governance principle.” by Dr.Danai Tienput, Specialized Expert and Independent Consultant

7.2 Study Visits

Internal Unit

- CAT Customer Service Center. Central District Department (Nakorn Sawan, and Uthai Thani)

External Unit

- Somboon Advance Technology (Public) Co., Ltd.

8. Arranged CG exhibition in CAT Day 2014. The event is organized for the purpose of presenting the Company's products, service, knowledge and the performance of various departments. Apart from CG exhibition, Talk Show. “Titled “ The 7 principles of Good Governance to build a great organization”” hosted by Chatupon Chompoonit, to publicize knowledge in 7 internationally accepted principles of Good Governance.

## 2. Rights of Shareholders

CAT recognizes the ownership rights as shareholders thus appointed a committee to act on their behalf over significant corporate decision. Therefore, the Board of Directors must protect the rights and interests of shareholders in accordance with the provisions of laws and the Company's regulations, e.g., the right to attend shareholder meetings; and the right to obtain complete, sufficient, and timely information for effective decision making.

## 3. Rights of Stakeholders

CAT places great importance on looking after all groups of stakeholders, e.g., shareholders, clients and the general public, business partners, competitors, creditors, employees, and the society and environment. This is clearly specified in writing as a guideline for Board members, executives and employees as transparent guidelines in response to specific requirements of each group of stakeholders.

## 4. Shareholder Meetings

CAT is a public limited company wholly owned by the Ministry of Finance. According to Article 23 of the Corporatization of State Enterprise Act, B.E. 2542 (1999) specified, “while the Ministry of Finance has yet to transfer shares to other entities, the Ministry's opinion in relation to the said corporation shall be regarded as a resolution of shareholder general meetings”. Therefore, CAT has notified the Ministry of Finance about shareholder meetings to seek the Ministry's opinion as a resolution at such meetings.

## 5. Board of Director's Self-Evaluations

The Board members must conduct 2 types of self-evaluations twice annually including each member's self-evaluation and the Board's effectiveness evaluation, based on the Ministry of Finance's state enterprise CG criteria. Following the Board's self-evaluation, a formal discussion is held to consider the evaluation results and determine operation guidelines to further enhance the Board's performance.

## 6. Business Ethics

CAT Board of Directors set ethical standard and code of business conduct for Board members, executives, and employees to adhere to. The guidelines recommend that all must perform their duties with integrity, transparency, accountability and morality to obtain the greatest benefit of the Company and fairness to all groups of stakeholders. To create positive impression and increase customer satisfaction, all must avoid any conflict of interest arising from their positions, and regularly assess and improve performance.

## 7. Conflict of Interest

CAT Board of Directors comprises 15 members, 14 of whom are not management executives and only one holds an executive position. For this reason, stakeholders can be confident that CAT Board of Directors can function independently.

## 8. Management Separation

The chairman of the Board is a different person from the president with clear separation among prescription of policy determination, supervision, and routine administration.

## 9. Internal Control and Auditing Procedures

### Internal Control

CAT Board of Directors realizes the importance of internal control procedures by encouraging positive control environment, effective information and communication management, and efficient monitoring and evaluation system for both executive and operation levels as well as sufficiency assessment on overall internal control procedures. The Risk Management and Internal Control Committee plays an important role in assessing risks and managing organization risks at an acceptable level. The committee is also responsible for staff encouragement in the importance of internal audit and arranging an internal control system covering all aspects including finance, performance, and operations conforming to related laws and regulations

#### Internal Audit

CAT Board of Directors assigns the Audit Committee to closely supervise the internal audit by providing the Internal Audit Bureau with an independent audit mechanism, which is an important mechanism for Good Corporate Governance. The Internal Audit Bureau assesses the efficiency and adequacy of internal control system and risk management process in accordance with annual audit plan. The Bureau quarterly reports its findings to the Audit Committee, the executives, and related persons, respectively, to ensure effective operation and optimal resource management; accurate and reliable financial and operational statements; and compliance with policies, laws and regulations of the company and related parties. There are quarterly follow-up of agreed actions to ensure further execution over its recommendations. The Internal Audit Bureau regularly carries out evaluation of its own audit performance by audited units and takes all recommendations to further improve its auditing procedures.

### 10. Investor Relations

CAT fully discloses both financial and non-financial information in accordance with the Official Information Act, B.E. 2540 (1997) in the annual report and also on CAT website ([www.cattелеcom.com](http://www.cattелеcom.com)) in Thai and English. There are also printed materials for both internal and external distribution, and official information centers to disseminate essential information.